SUFFOLK COUNTY

PUBLIC EMPLOYEES DEFERRED COMPENSATION BOARD

Labor and Management Working as One

Kristine Sciangula
Plan Administrator

January 3, 2020

On December 20, 2019, the President signed into law the Setting Every Community Up for Retirement Enhancement Act of 2019, known as the SECURE Act. This Act will result in a number of changes to our Deferred Compensation Plan. While guidance from the Internal Revenue Service and other authorities on the interpretation of the Act is expected to become available this year, the Suffolk County Deferred Compensation Board ("Board") wants to make you aware of the following significant changes that will apply:

Increase of the Required Minimum Distribution Age from 70½ to 72

Previously: Participants who were no longer employed by the County had to begin taking Required Minimum Distributions (RMDs) once they reached age 70½.

Under the Act: The age at which a Participant must take RMDs has increased from 70½ to 72, effective for individuals who attain age 70½ after December 31, 2019. Please note that those Participants who have already turned 70½ before January 1, 2020 must continue to take RMDs as required under the previous law, even if they are younger than 72.

Modification of Required Distribution Rules for Beneficiaries

Previously: A non-spouse beneficiary was able to stretch distributions from the account he or she inherited from the Participant over his or her own life expectancy.

Under the Act: Most non-spouse beneficiaries will be required to receive their entire account balance within ten (10) years of the Participant's death. These beneficiaries will not be permitted to stretch distributions over their life expectancy. This rule takes effect for distributions with respect to Participants who die after December 31, 2021.

Distributions in Case of Birth or Adoption

Previously: The only options for a Participant to take a distribution from his or her Plan account while still employed by the County, were if the Participant was at least 70½ years old, or met specific criteria for an unforeseeable emergency withdrawal, an inactive small account withdrawal, or a loan.

Under the Act: A Participant who has a baby or adopts a child may take distributions (not to exceed $5,000) from his or her Plan account within one (1) year of the birth or adoption of his or her child. A Participant who is still eligible to make contributions to the Plan may repay the amounts distributed back to his or her Plan account at a later date.

The Board is working with T. Rowe Price to implement the changes made by the Act. If you have any questions, please reach out to your Board Representative (names on left).

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